



To: Real Estate Department Partners

Notice: **RED-11-25**

From: Real Estate Department- Compliance and Asset Management

Date: November 21, 2011

Re: **Clarifications on Income Verification Requirements for HOME/CDBG/CDBG-D**

Third-party verification of income is always the preferred method of verification. However, if other sources of verification must be used, follow these guidelines. For more information on verifying and calculating income and assets, refer to Chapter 8 of the SIP Award Implementation Manual.

1. Using paystubs

When utilizing paystubs as support documentation for verifying and anticipating income from wages of a beneficiary/tenant whose job provides steady employment, you must obtain the number of paystubs that cover three (3) consecutive months of payments. For beneficiaries/tenants with jobs providing employment that is less stable or does not conform to a twelve (12) month schedule (e.g. seasonal laborers and other sporadic work), income documentation should be obtained that covers the entire previous twelve (12) month period.

2. Using tax returns

When utilizing tax returns as support documentation for verifying and anticipating income, you must obtain a certified copy of the tax return by completing IRS Form 4506 "Request for Copy of Tax Form."

3. Self-certifications

Self-certifications are only accepted for rental projects.

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